



**Billing Code 6325-39-P**

## **OFFICE OF PERSONNEL MANAGEMENT**

### **January 2018 Pay Schedules**

**AGENCY:** Office of Personnel Management.

**ACTION:** Notice.

**SUMMARY:** The President has signed an Executive order to implement the January 2018 pay adjustments for certain Federal civilian employees. The Executive order authorizes a 1.4 percent across-the-board increase for statutory pay systems and locality pay increases costing approximately 0.5 percent of basic payroll, reflecting an overall average pay increase of 1.9 percent. This notice serves as documentation for the public record.

**FOR FURTHER INFORMATION CONTACT:** Kristen Foy, Pay and Leave, Employee Services, U.S. Office of Personnel Management; (202) 606-4194 or [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov).

**SUPPLEMENTARY INFORMATION:** On December 22, 2017, the President signed Executive Order (E.O.) 13819 (82 FR 61431), which implemented the January 2018 pay adjustments. The Executive order provides an overall average pay increase of 1.9 percent for the statutory pay systems. This is consistent with the President's alternative pay plan issued under 5 U.S.C. 5303(b) and 5304a on August 31, 2017.

The publication of this notice satisfies the requirement in Section 5(b) of E. O. 13819 that the Office of Personnel Management (OPM) publish appropriate notice of the 2018 locality payments in the *Federal Register*.

Schedule 1 of E.O. 13819 provides the rates for the 2018 General Schedule (GS) and

reflects a 1.4 percent increase from 2017. Executive Order 13819 also includes the percentage amounts of the 2018 locality payments. (See Section 5 and Schedule 9 of Executive Order 13819.)

General Schedule employees receive locality payments under 5 U.S.C. 5304. Locality payments apply in the United States (as defined in 5 U.S.C. 5921(4)) and its territories and possessions. In 2018, locality payments ranging from 15.37 percent to 39.28 percent apply to GS employees in the 47 locality pay areas. The 2018 locality pay area definitions can be found at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2018/locality-pay-area-definitions/>.

The 2018 locality pay percentages became effective on the first day of the first pay period beginning on or after January 1, 2018 (January 7, 2018). An employee's locality rate of pay is computed by increasing his or her scheduled annual rate of pay (as defined in 5 CFR 531.602) by the applicable locality pay percentage. (See 5 CFR 531.604 and 531.609.)

Executive Order 13819 establishes the new Executive Schedule (EX), which incorporates a 1.4 percent increase required under 5 U.S.C. 5318 (rounded to the nearest \$100). By law, Executive Schedule officials are not authorized to receive locality payments.

Executive Order 13819 establishes the 2018 range of rates of basic pay for members of the Senior Executive Service (SES) under 5 U.S.C. 5382. The minimum rate of basic pay for the SES is \$126,148 in 2018. The maximum rate of the SES rate range is \$189,600 (level II of the Executive Schedule) for SES members who are covered by a certified SES performance appraisal system and \$174,500 (level III of the Executive Schedule) for SES members who are not covered by a certified SES performance appraisal system.

The minimum rate of basic pay for the senior-level (SL) and scientific and professional (ST) rate range was increased by 1.4 percent (\$126,148 in 2017), which is the amount of the across-the-board GS increase. The applicable maximum rate of the SL/ST rate range is \$189,600 (level II of the Executive Schedule) for SL or ST employees who are covered by a certified SL/ST performance appraisal system and \$174,500 (level III of the Executive Schedule) for SL or ST employees who are not covered by a certified SL/ST performance appraisal system. Agencies with certified performance appraisal systems for SES members and employees in SL and ST positions must also apply a higher aggregate limitation on pay—up to the Vice President’s salary (\$243,500 in 2018.)

Note that Section 20101 of subdivision 3 of division B of the Bipartisan Budget Act of 2018 (Public Law 115-123, February 9, 2018) amended the Continuing Appropriations Act, 2018, division D of Public Law 115-56. Under section 101(a) of that Act, the authority and conditions provided in FY 2017 appropriations laws continue to apply during the period specified in the Act, as amended. This language means that the freeze on the payable pay rates for the Vice President and certain senior political appointees at 2013 levels—as provided in section 738 of division E of the Consolidated Appropriations Act, 2017, Public Law 115-31, May 5, 2017—continues through March 23, 2018, or the date of enactment of new appropriations legislation. Future Congressional action will determine whether the pay freeze continues beyond March 23, 2018. Until such time, the OPM guidance on the 2017 pay freeze for certain senior political officials is generally applicable in applying the pay freeze in 2018. (See OPM guidance memoranda CPM 2017-05 at <https://www.chcoc.gov/content/continued-pay-freeze-certain-senior-political-officials>, CPM 2018-02 at <https://www.chcoc.gov/content/continued-pay-freeze->

certain-senior-political-officials-1, CPM 2018-03 at <https://www.chcoc.gov/content/pay-and-leave-employees-affected-lapse-appropriations-and-continued-pay-freeze-certain>, and CPM 2018-05 at <https://www.chcoc.gov/content/pay-employees-affected-lapse-appropriations-and-continued-pay-freeze-certain-senior>.)

Executive Order 13819 provides that the rates of basic pay for administrative law judges (ALJs) under 5 U.S.C. 5372 are increased by 1.4 percent, rounded to the nearest \$100 in 2018. The rate of basic pay for AL-1 is \$164,200 (equivalent to the rate for level IV of the Executive Schedule). The rate of basic pay for AL-2 is \$160,100. The rates of basic pay for AL-3/A through 3/F range from \$109,600 to \$151,700.

The rates of basic pay for members of Contract Appeals Boards are calculated as a percentage of the rate for level IV of the Executive Schedule. (See 5 U.S.C. 5372a.) Therefore, these rates of basic pay are increased by 1.4 percent in 2018.

On November 22, 2017, OPM issued a memorandum on behalf of the President's Pay Agent (the Secretary of Labor and the Directors of the Office of Management and Budget and OPM) that continues GS locality payments for ALJs and certain other non-GS employee categories in 2018. By law, EX officials, SES members, employees in SL/ST positions, and employees in certain other equivalent pay systems are not authorized to receive locality payments. (Note: An exception applies to certain grandfathered SES, SL, and ST employees stationed in a nonforeign area on January 2, 2010. See CPM 2009-27 at <https://www.chcoc.gov/content/nonforeign-area-retirement-equity-assurance-act>.) The memo is available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/continuation-of-locality-payments-for-non-general-schedule-employees-november-22-2017.pdf>.

On December 22, 2017, OPM issued a memorandum (CPM 2017-18) on the January 2018 pay adjustments. (See <https://www.chcoc.gov/content/january-2018-pay-adjustments>.) The memorandum transmitted Executive Order 13819 and provided the 2018 salary tables, locality pay areas and percentages, and information on general pay administration matters and other related information. The “2018 Salary Tables” posted on OPM's Web site at <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/> are the official rates of pay for affected employees and are hereby incorporated as part of this notice.

U.S. Office of Personnel Management.

**Dr. Jeff T.H. Pon,**

*Director.*

[FR Doc. 2018-05611 Filed: 3/19/2018 8:45 am; Publication Date: 3/20/2018]